

Message Text

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PAGE 01 BRASIL 05031 201136Z

ACTION EB-07

INFO OCT-01 ARA-10 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03
H-01 SS-15 NSC-05 /053 W
-----010428 201316Z /46

R 181530Z JUN 77

FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 2308
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

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EO 11652 NA
TAGS EAIR BR
SUBJECT: NEW PROBLEM ADDED TO PANAM DISCRIMINATION COMPLAINT

REF: BRASILIA 4350

1. CONGEN RIO DE JANEIRO HAS LEARNED FROM PANAM'S REPRESENTATIVE
IN BRAZIL OF A NEW, SERIOUS PROBLEM WHICH HAS ARISEN: BRAZILIAN
AUTHORITIES HAVE EXTENDED TO THE AIR FREIGHT BUSINESS CERTAIN
ADMINISTRATIVE PROCEDURES COMMON IN SEA FREIGHT. IMPORT LICENSES
ARE NOT BEING STAMPED "SE FOR VIA AEREA, O TRANSPORTE SERA OBRIGATORI
O

EM AERONAVE DE BANDEIRA BRASILEIRA" (INFORMAL TRANSLATION: "IF
SHIPMENT IS BY AIR, BRAZILIAN FLAG-CARRIER MUST BE USED.")
PREVIOUSLY, THE ONLY ANNOTATION ON CARRIERS PERTAINED TO SEA SHIP-
MENTS, WITH THE REQUIREMENT OF BRAZILIAN BOTTOMS WAIVED FOR
SHIPMENTS ON LINES WITH BILATERAL EQUAL-ACCESS AGREEMENTS WITH
BRAZIL ("SE FOR VIA MARITIMA, O TRANSPORTE SERA OBRIGATORIO EM
NAVIO DE BANDEIRA BRASILEIRA O DAS EMPRESAS NORTE-AMERICANAS
MOORE-MCCORMACK, DELTA LINES, OU PRUDENTIAL-GRACE." INFORMAL
TRANSLATION: "IF SHIPMENT IS BY SEA TRANSPORT, IT MUST BE UNDER A
BRAZILIAN FLAG CARRIER OR BY AMERICAN TRANSPORT MOORE-MCCORMACK,
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PAGE 02 BRASIL 05031 201136Z

DELTA LINES, OR PRUDENTIAL-GRACE.") CONGEN RIO OFFICER OBTAINED
INDEPENDENT CONFIRMATION OF THIS NEW PRACTICE FROM LUFTHANSA AND
BRANIFF, NEITHER OF WHICH IS NOW PREPARED TO JOIN PANAM IN
A COMPLAINT TO THE GOB.

2. THIS STAMPING OF IMPORT LICENSES IS NEW FOR AIR CARGO;
BUT, AS POINTEDOUT IN THE MEMORANDUM OF PANAM COMPLAINTS, GOB

HAS IN RECENT YEARS STRONGLY ENCOURAGED THE USE OF BRAZILIAN CARRIERS FOR THE TRANSPORTATION OF CARGOES OF GOB ENTITIES AND OFFICIAL TRAVEL. ASKED WHETHER THE NEW REQUIREMENT FOR STAMPING ADDED TO THE PREVIOUS ENCOURAGEMENT OF BRAZILIAN CARRIERS FOR GOB TRAVEL AND TRANSPORT WOULD ELIMINATE PANAM FROM ALL SOUTHBOUND AIR CARGO, THE PANAM REPRESENTATIVE SAID THAT VARIG DID NOT ALWAYS HAVE CAPACITY ON SPECIFIC ROUTES OR AT PARTICULAR TIMES, AND CONSEQUENTLY THEY ENDORSED THE LICENSES TO PERMIT CARRIAGE BY PANAM. IN ANY CASE, THE EARLIER DISCRIMINATION HAD ALREADY CUT PANAM'S SHARE OF SOUTHBOUND CARGO TO 12 PERCENT (COMPARED TO 40 PERCENT OF THE NORTHBOUND), ACCORDING TO PANAM REPRESENTATIVE.

3. THE COUNSELOR OF EMBASSY FOR ECONOMIC AND COMMERCIAL AFFAIRS BROUGHT THIS NEW PROBLEM TO THE ATTENTION OF THE CHIEF OF THE ECONOMIC DEPARTMENT OF THE FONMIN, AMBASSADOR CABRAL DE MELLO. THE COUNSELOR THEN DELIVERED TALKING POINTS ON THIS ISSUE TO THE OFFICE OF THE CHIEF OF THE TRANSPORTATION DIVISION OF THE FONMIN, COUNSELOR PIRES. EMBASSY EXPECTS OBTAIN PIRES' INITIAL RESPONSE TO THESE TALKING POINTS NEXT WEEK.

4. ON THE QUESTION OF THE MEMORANDUM OF PANAM'S COMPLAINTS REGARDING REMITTANCES, THE EMBASSY COUNSELOR HAS ON SEVERAL OCCASIONS (INCLUDING THAT REPORTED REFTEL) REMINDED AMBASSADOR CABRAL DE MELLO OF THE SERIOUSNESS WITH WHICH THE USG VIEWS THIS ISSUE AND THE URGENCY REQUIRED FOR ITS RESOLUTION. WE HAVE ALSO FOLLOWED UP WITH COUNSELOR PIRES AND HIS DEPUTY AND WILL RESUME REPRESENTATIONS WITH THEM UPON THEIR RETURN TO BRASILIA CIRCA JUNE 20. THE FINANCIAL ATTACHE HAS KEPT UP THE PRESSURE ON THE CENTRAL BANK AND WAS INFORMED ON LIMITED OFFICIAL USE

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PAGE 03 BRASIL 05031 201136Z

JUNE 14 THAT A SENIOR CENTRAL BANK OFFICIAL, DR. FERNAO BRACHER, CHIEF OF THE DIRECTORATE OF THE EXTERNAL AREA, WAS PERSONALLY STUDYING THE MEMORANDUM. CRIMMINS

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Message Attributes

Automatic Decaptioning: X
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Copy: SINGLE
Sent Date: 18-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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